



Assault on Deferred Maintenance continues; Y-12 plans for a bright and challenging future; Footprint reduction gains momentum; Investment in DM reduction pays off

Readiness and Recapitalization

AGGRESSIVELY REDUCING DEFERRED MAINTENANCE

Y-12 continues to aggressively stabilize and reduce deferred maintenance associated with all NNSA Y-12 real property. This is a direct implementation of the NNSA goal of returning facility conditions for mission-essential facilities to an assessment level of "good to excellent."

Successfully reducing DM involves integrating multiple activities and funding sources. The single largest source of funding is the Facilities and Infrastructure Recapitalization Program.

Investments continue to be made in DM reduction activities, with \$12.9 million being

allocated for three FY 2003 and FY 2004 DM reduction-specific projects.

One factor influencing success has been the significant return on investment with respect to actual DM reduction. This successful effort uses Y-12 maintenance personnel to address deficiencies under DM reduction-specific projects. One recently completed project yielded an \$8.2 million DM reduction value on a \$4.9 million investment.

PLANNING Y-12'S FUTURE

How do you achieve the vision of an able, agile and affordable Y-12? Answer: Establish an integrated plan-

ning process to ensure an orderly approach to the task.

Y-12 integrates its planning processes, producing three key documents that form the "what to do, how to do it, when to do it, and who is to do it" plan for Y-12's future.

Compiling these plans is the business of Larry Rackstraw, manager of Integrated Site Planning. He describes these critical documents in this way:

- The *Y-12 Strategic Plan* results from the highest level of planning and is a key element in Y-12's status as a premier national security enterprise.
 - The *Master Plan* results from an ongoing process of analyzing and determining necessary long-range physical improvements over a 20- to 30-year period.
 - The *10-Year Comprehensive Site Plan* is a rolling 10-year plan of missions, programs, workload and investments implementing the *Master Plan*.
- The real-world effect of integrated planning is shown in the major projects to be accomplished over the next decade:
- consolidation of key operations into two modern, designed denial facilities;

- construction of new facilities using private-sector funding; and
- completion of more than \$100 million in FIRP-funded improvements.

Rackstraw produces annual updates of these documents that employees can read on the internal Web.

FACILITIES AND INFRASTRUCTURE RECAPITALIZATION PROGRAM

The Changing Face of Y-12

The past year at Y-12 has been one of renewal and change. Because of their infrastructure focus, many activities receive funding from FIRP.

The program is based on an integrated Y-12 and YSO approach to recapitalization, infrastructure reduction and DM reduction activities.

Under FIRP, facility and infrastructure upgrades across the site are identified, prioritized, funded and executed with a focus on mission-essential facilities. Execution of FIRP tasks helps ensure the consistent availability of the infrastructure required to support Y-12's dynamic current and future missions.

Recapitalizing National Security Assests

Recapitalization projects are providing infrastructure refurbishment as well as significant reductions in the DM backlog.

For FY 2004, a total of 25 recapitalization projects were authorized. To date, 16 projects, valued at more than \$47 million, have resulted in the retirement of \$20.6 million in DM liability.

New Construction

FIRP is helping replace facilities by supporting design and construction activities for new support facilities. Three facilities (67,000 ft²) are currently planned or under construction:

- a new records storage facility,
- replacement vehicle garage bays and
- a new technical support facility.

Construction is being managed by YSO in support of NNSA's Small Business Initiative.

Using modular construction, a 6,500-ft² changehouse

was recently completed, taking only 6 months to build compared with an estimated 18-month duration using conventional construction techniques.

Refurbishing Utilities & Reducing Infrastructure

Refurbishing and upgrading major utility systems is a focus of FIRP. In addition to installing a new plant breathing air system, FIRP is funding four line-item utilities projects valued at more than \$113 million. Between FY 2003 and FY 2010, these projects will upgrade the compressed air, steam plant, potable water and electrical distribution utility systems.

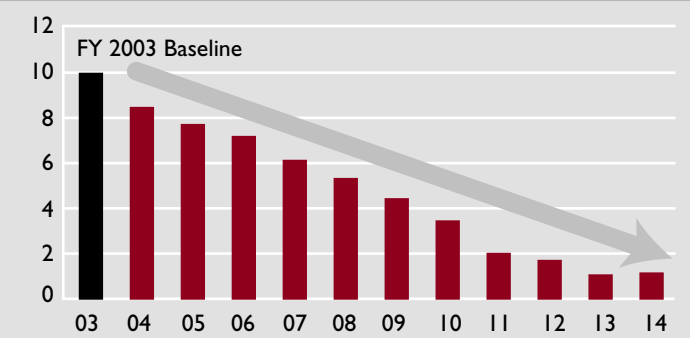
Through FY 2003, FIRP funding enabled workers to safely demolish 179 buildings (574,000 ft²). IR activities demolished 30 buildings in FY 2004 (an additional 114,000 ft²). These activities directly support Y-12

The 60-year-old Y-12 Administration Building was recently demolished to make way for a new structure that will consolidate administrative and technical functions currently dispersed across the site.



Progress Towards DM Goals

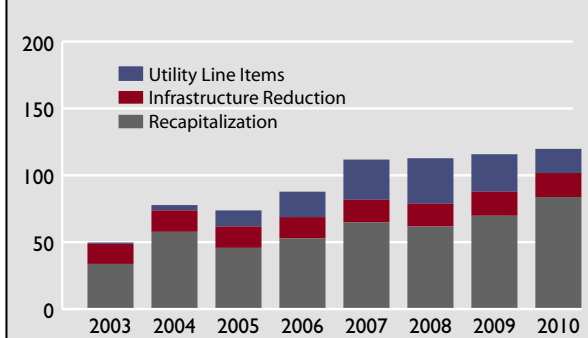
By Fiscal Year Percent Facility Condition Index



DM reduction activities at Y-12 support NNSA corporate commitments to stabilize DM by FY 2005 and reduce DM in mission-essential facilities to industry standards by FY 2009.

FIRP Spending

By Fiscal Year (Dollars in Millions)



More than 90% of the FIRP work planned for FY 2004 was completed in FY 2004.

FACES OF Y-12

Cynthia Woodward
Integration Manager

The next generation at Y-12 will be looking for work-life integration, a chance to excel and strong mentorship from company veterans to obtain the necessary understanding of Y-12's unique processes and missions.

